GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:215
ANSWERED ON:12.12.2008
CUSTOMS DUTY ON NATURAL RUBBER
Thomas Shri P.C.

Will the Minister of FINANCE be pleased to state:

(a) the prevailing rate of customs duty on natural rubber;

(b) whether rubber farmers in States like Kerala are facing difficulties because of the fall in prices of natural rubber in the recent past due to the prevailing customs duty structure;and

(c) if so,the action taken/being taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a),(b)and(c): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO.215 RAISED BY SHRI P.C.THOMAS FOR 12TH DECEMBER,2008 REGARDING CUSTOMS DUTY ON NATURAL RUBBER.

Part(a) Natural rubber attracts basic customs duty of 20% ad valorem. It is also chargeable to special additional duty of 4% ad valorem and education and secondary and higher education cess of 3%.The aggregate duty works out to 25.424%.

Part (b) Government has received representations on behalf of rubber growers in Kerala to iincrease the import duty on natural rubber from 20% to 80% in view of the steep fall in its domestic prices in recent months which has affected farmers in Kerala adversely.

Part(c) The current rate of basic customs duty of 20% ad valorem has been fixed taking into account the interest of doomestic growers,user industries,WTO bindings and other relevant factors and provides adequate protection to rubber growers.At present,there is no proposal under consideration of the government to revise the customs duty on natural rubber.